617.768.2723 direct / fax 617.621.1738

Microsoft comment

# Fax

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|---|---|---|---|
| **To:** | Renata Hesse, Trial Attorney | **From:** | Daniel E. Geer, Jr., Sc.D. |
| **Fax:** | 202-616-9937 | **Pages:** | 2 |
| **Phone:** | | **Date:** | 23 January 02 |
| **Re:** | Microsoft settlement | **CC:** | |

☑ **Urgent**    ☐ **For Review**    ☐ **Please Comment**    ☐ **Please Reply**    ☐ **Please Recycle**

Per the Federal Register, I append my comment on the Microsoft matter.

23 January 02

Renata Hesse, Trial Attorney
Suite 1200, Antitrust Division
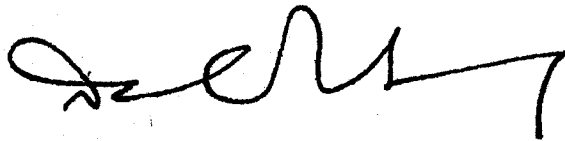Department of Justice
601 D Street NW
Washington, DC 20530

Re: Microsoft settlement

Dear Atty. Hesse,

The remedy that Microsoft has so far successfully avoided is to have its code base broken up among two or more units. However, the quality control cost of any system rises with the square of the number of components. Since Microsoft cannot charge the usurious upgrade prices on which their revenue growth, and therefore their shareholder value, depends without substantial feature expansion, the component count must grow linearly (50 new features) if not geometrically (10% new features) per unit time. This insures that quality control costs for Microsoft must follow a cost curve that becomes untenable at some point, the only question being when not if. Therefore the greatest punishment you can possibly impose on Microsoft is to forbid them to break up their code base into integrable product lines as it marries them to a cost curve that will kill them in due course. Having sworn in court, settled in camera, and committed their reputation in public to the common argument that their code base somehow cannot be broken up, they will now either reverse their position or march off the cliff.

In short, I urge the Court to take Microsoft at its word by ordering them to simply conform to their testimony.

Very truly yours,

Daniel E. Geer, Jr., Sc.D.

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